

AG's SUMMARY OF RECOMMENDATIONS FOR BAY STATE TEST YEAR ENDED

<u>Description</u>	<u>Plant Balance at 12/31/2004 (a)</u>	<u>Present Depreciation Rate (b)</u>	<u>Present Depreciation Expense (c)</u>
Production Plant:			
Structure & Improvements	\$2,368,951	3.65%	\$86,467
L.P. Gas Equipment	\$4,339,415	3.90%	\$169,237
Other Equipment	\$819,245	4.92%	\$40,307
LNG Equipment	\$15,428,067	5.22%	\$805,345
Transmission & Distribution Plant:			
Rights of Way	\$79,051	1.99%	\$1,573
Structures & Improvements	\$2,108,612	3.02%	\$63,680
Mains:			
Cathodic Protection	\$8,274,626	5.61%	\$464,207
Plastic	\$126,075,826	1.84%	\$2,319,795
Coated Steel	\$146,116,729	1.31%	\$1,914,129
Cast Iron	\$5,690,941	1.30%	\$73,982
Joint Seal	\$20,020,721	4.74%	\$948,982
Bare Steel	\$2,554,359	1.75%	\$44,701
Total			
Compressor Station Equipment	\$327,265	3.69%	\$12,076
Measuring & Regulating Stat. Equip	\$12,355,156	2.60%	\$321,234
Other Equipment	\$510,252	2.69%	\$13,726
Services	\$228,746,364	4.42%	\$10,110,589
Meters	\$24,915,974	3.51%	\$874,551
Meter installations	\$45,198,411	1.99%	\$899,448
House Regulators	\$13,612,047	3.31%	\$450,559
Other Property on Customer's Premise:			
Conversion Burners	\$7,835,153	4.16%	\$325,942
Water Heaters	\$14,053,382	7.06%	\$992,169
Boilers	\$569,752	7.06%	\$40,224

Other Equipment	\$1,719,559	8.74%	\$150,289
General Plant	\$7,303,824	3.51%	\$256,364
Office Furniture & Equipment:			
Office Furniture & Equipment	\$6,468,086	10.74%	\$694,672
Computer & IT Equipment	\$4,952,273	17.51%	\$867,143
Transportation Equipment:			
Transportation Equipment	\$2,363,594	9.73%	\$229,978
Stores Equipment	\$50,473	7.89%	\$3,982
Tools, Shop & Garage Equip.	\$1,847,938	4.02%	\$74,287
Power Operated Equipment	\$406,425	8.67%	\$35,237
Communication Equipment			
Other Communication Equip	\$7,400,315	5.31%	\$392,957
Commun Equip - ERT/ITRON	\$2,248,171	5.31%	\$119,378
Metscan	\$644,449	12.11%	\$78,043
Metscan -Proforma Retirement	\$5,266,582	0.00%	\$0
Miscellaneous Equipment	<u>\$25,220</u>	6.30%	<u>\$1,589</u>
TOTAL	<u>\$722,697,208</u>		<u>\$23,876,844</u>

SOURCE & REFERENCES:

Column (a)	Direct Testimony of Mr. Skirtich, Schedule JES-7
Column (b) & (d)	Company's Depreciation Study Section 2, Table
Column (c)	Column (a) times Column (b).
Column (e)	Column (a) times Column (d).
Column (f)	Schedule JP-1, page 2.
Column (g)	Column (a) times Column (f).
Column (h)	Column (g) minus Column (e).

ENDED DEPRECIATION EXPENSE
≡ GAS COMPANY
DECEMBER 31, 2004

Company Proposed Depreciation <u>Rate</u> (d)	Company Proposed Depreciation <u>Expense</u> (e)	AG's Proposed Depreciation <u>Rate</u> (f)	AG's Proposed Depreciation <u>Expense</u> (g)	<u>Difference</u> (h)
3.06%	\$72,490	3.06%	\$72,490	\$0
1.85%	\$80,279	1.85%	\$80,279	\$0
7.46%	\$61,116	7.46%	\$61,116	\$0
3.61%	\$556,953	3.61%	\$556,953	\$0
2.18%	\$1,723	2.18%	\$1,723	\$0
3.10%	\$65,367	3.10%	\$65,367	\$0
7.55%	\$624,734	7.09%	\$586,671	-\$38,063
2.17%	\$2,735,845	1.61%	\$2,029,821	-\$706,025
2.53%	\$3,696,753	1.52%	\$2,220,974	-\$1,475,779
2.41%	\$137,152	2.23%	\$126,908	-\$9,675
6.42%	\$1,285,330	6.01%	\$1,203,245	-\$82,085
4.74%	\$121,077	4.31%	\$110,093	-\$10,984
5.14%	\$16,821	5.14%	\$16,821	\$0
2.71%	\$334,825	2.71%	\$334,825	\$0
2.64%	\$13,471	2.64%	\$13,471	\$0
5.08%	\$11,620,315	3.65%	\$8,349,242	-\$3,271,073
3.96%	\$986,673	3.96%	\$986,673	\$0
3.34%	\$1,509,627	3.34%	\$1,509,627	\$0
4.06%	\$552,649	4.06%	\$552,649	\$0
4.16%	\$325,942	4.16%	\$325,942	\$0
7.06%	\$992,169	7.06%	\$992,169	\$0
7.06%	\$40,224	7.06%	\$40,224	\$0

14.91%	\$256,386	14.91%	\$256,386	\$0
2.10%	\$153,380	2.10%	\$153,380	\$0
4.76%	\$307,881	4.76%	\$307,881	\$0
20.33%	\$1,006,797	20.33%	\$1,006,797	\$0
13.87%	\$327,830	13.87%	\$327,830	\$0
11.41%	\$5,759	11.41%	\$5,759	\$0
4.41%	\$81,494	4.41%	\$81,494	\$0
12.21%	\$49,624	12.21%	\$49,624	\$0
6.80%	\$503,221	6.80%	\$503,221	\$0
7.14%	\$160,519	7.14%	\$160,519	\$0
24.71%	\$159,243	24.71%	\$159,243	\$0
0.00%	\$0		\$0	\$0
5.00%	<u>\$1,261</u>	5.00%	<u>\$1,261</u>	\$0
	<u>\$28,844,934</u>		<u>\$23,250,682</u>	<u>-\$5,593,683</u>

